



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AUDIT EXAMINATION OF THE
GREEN COUNTY FISCAL COURT**

Fiscal Year Ended June 30, 1998

**EDWARD B. HATCHETT, JR.
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CONTENTS

PAGE

INDEPENDENT AUDITOR’S REPORT	1
GREEN COUNTY OFFICIALS.....	3
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES ARISING FROM CASH TRANSACTIONS.....	7
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES	10
NOTES TO FINANCIAL STATEMENTS	12
COMPARATIVE SCHEDULE OF BUDGETED TO ACTUAL OPERATING REVENUE.....	17
SCHEDULE OF OPERATING REVENUE.....	20
COMPARATIVE SCHEDULE OF FINAL BUDGET AND BUDGETED EXPENDITURES	29
SCHEDULE OF UNBUDGETED EXPENDITURES.....	43
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	47
COMMENTS AND RECOMMENDATIONS.....	51
APPENDIX A: CERTIFICATION OF COMPLIANCE – LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAMS	



Edward B. Hatchett, Jr. Auditor of Public Accounts

To the People of Kentucky

Honorable Paul E. Patton, Governor

John P. McCarty, Secretary

Finance and Administration Cabinet

Sarah Jane Schaaf, Secretary, Revenue Cabinet

Honorable Mary Ann Blaydes Baron, County Judge/Executive

Honorable Morris W. Goff, Former County Judge/Executive

Members of the Green County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of assets, liabilities, and fund balances arising from cash transactions of Green County, Kentucky, as of June 30, 1998, and the related statement of cash receipts, cash disbursements, and changes in cash balances for the year then ended. These financial statements are the responsibility of the Green County Fiscal Court. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Green County, Kentucky, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and laws of Kentucky. Consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances arising from cash transactions of Green County, Kentucky, and the related statement of cash receipts, cash disbursements, and changes in cash balances as of and for the year ended June 30, 1998, in conformity with the cash basis of accounting described above.

To the People of Kentucky

Honorable Paul E. Patton, Governor

John P. McCarty, Secretary

Finance and Administration Cabinet

Sarah Jane Schaaf, Secretary, Revenue Cabinet

Honorable Mary Ann Blaydes Baron, County Judge/Executive

Honorable Morris W. Goff, Former County Judge/Executive

Members of the Green County Fiscal Court

Our audit was performed for the purpose of forming an opinion on the financial statements of Green County, Kentucky, taken as a whole. The information provided on the accompanying schedules is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

Based on the results of our audit, we present the accompanying Comments and Recommendations, included herein, which discusses the following area of noncompliance:

- The County Should Have Written Agreements To Protect Deposits

In accordance with Government Auditing Standards, we have also issued our report dated March 24, 1999, on our consideration of Green County, Kentucky's compliance with certain provisions of laws, regulations, contracts, and grants, and internal control over financial reporting.

Respectfully submitted,



Edward B. Hatchett, Jr.

Auditor of Public Accounts

Audit fieldwork completed -
March 24, 1999

GREEN COUNTY OFFICIALS

Fiscal Year Ended June 30, 1998

Morris W. Goff	County Judge/Executive
Sam Moore II	County Attorney
Billy H. Squires	County Clerk
John Frank	Circuit Court Clerk
Ronnie Marcum	Sheriff
Thomas J. Marcum	Jailer
J. W. Edwards	Property Valuation Administrator
Nan Montgomery	County Treasurer
Eudell Stilts	Coroner
Udell Kelly	Magistrate
Dean Blair	Magistrate
Larry Handy	Magistrate
William Coffey	Magistrate
Boyce P. Milby	Magistrate

STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

GREEN COUNTY
STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

June 30, 1998

Assets

General Fund:

Cash	\$ 302,883
Investments	170,000

Road and Bridge Fund:

Cash	332,683
------	---------

Jail Fund:

Cash	10,424
------	--------

Local Government Economic Assistance Fund:

Cash	21,935
------	--------

Forest Fire Protection Fund:

Cash	62
------	----

Park Board Fund:

Cash	8,345
------	-------

911 Fund:

Cash	30,395
------	--------

Payroll Revolving Fund:

Cash	189
------	-----

Total Assets

\$ 876,916

Liabilities and Fund Balances

Liabilities

Payroll Revolving Fund-Taxes Payable	\$ 189
--------------------------------------	--------

Fund Balances

Reserved:

Forest Fire Protection Fund	62
-----------------------------	----

Unreserved:

General Fund	472,883
Road and Bridge Fund	332,683
Jail Fund	10,424
Local Government Economic Assistance Fund	21,935
Park Board Fund	8,345
911 Fund	30,395

Total Liabilities and Fund Balances

\$ 876,916

The accompanying notes are an integral part of the financial statements.

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STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

GREEN COUNTY
STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

Fiscal Year Ended June 30, 1998

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Cash Receipts</u>				
Schedule of Operating Revenue	\$ 1,528,308	\$ 460,037	\$ 828,859	\$ 30,914
Transfers In	222,689	135,189		50,000
Total Cash Receipts	<u>\$ 1,750,997</u>	<u>\$ 595,226</u>	<u>\$ 828,859</u>	<u>\$ 80,914</u>
<u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 1,498,163	\$ 480,126	\$ 729,019	\$ 97,239
Schedule of Unbudgeted Expenditures	49,530			
Transfers Out	222,689	85,000	135,189	
Total Cash Disbursements	<u>\$ 1,770,382</u>	<u>\$ 565,126</u>	<u>\$ 864,208</u>	<u>\$ 97,239</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	<u>\$ (19,385)</u>	<u>\$ 30,100</u>	<u>\$ (35,349)</u>	<u>\$ (16,325)</u>
Cash Balance - July 1, 1997*	<u>896,112</u>	<u>442,783</u>	<u>368,032</u>	<u>26,749</u>
Cash Balance - June 30, 1998*	<u>\$ 876,727</u>	<u>\$ 472,883</u>	<u>\$ 332,683</u>	<u>\$ 10,424</u>

*Cash Balance Includes Investments

The accompanying notes are an integral part of the financial statements.

GREEN COUNTY
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCES
Fiscal Year Ended June 30, 1998
(Continued)

Local Government Economic Assistance Fund	Forest Fire Protection Fund	Park Board Fund	911 Fund
\$ 31,148	\$ 762	\$ 19,883 12,500	\$ 156,705 25,000
\$ 31,148	\$ 762	\$ 32,383	\$ 181,705
\$ 20,221	\$ 700	\$ 49,530	\$ 170,858
2,500			
\$ 22,721	\$ 700	\$ 49,530	\$ 170,858
\$ 8,427	\$ 62	\$ (17,147)	\$ 10,847
13,508		25,492	19,548
\$ 21,935	\$ 62	\$ 8,345	\$ 30,395

The accompanying notes are an integral part of the financial statements.

GREEN COUNTY
NOTES TO FINANCIAL STATEMENTS

June 30, 1998

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of Green County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the application of the criteria stated in GASB 14, there are no component units which merit consideration as part of the reporting entity.

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts.

C. Basis of Accounting

The financial statements were prepared on a cash basis of accounting pursuant to Kentucky Revised Statute (KRS) 68.210 as recommended by the State Local Finance Officer. Consequently, certain revenues and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts.

D. Legal Compliance - Budget

The Green County budget is adopted on a cash basis of accounting and laws of Kentucky as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

E. Cash and Investments

Cash includes amounts in bank accounts, and investments are stated at cost. Investments may include certificates of deposit on the financial statements; however, for the purpose of disclosing credit risk (Note 3), investments exclude certificates of deposit.

Note 1. (Continued)

E. Cash and Investments (Continued)

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System

The county has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system which covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 8.65 percent.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement Systems' annual financial report.

Note 3. Deposits

The county maintains deposits with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to law, the depository institutions should pledge sufficient securities as collateral which, together with FDIC insurance, equals or exceeds the amount on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge of securities should be evidenced by an agreement that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. This agreement, signed by both parties, must be sufficient to create an enforceable and perfected security interest in the collateral under Kentucky law. The depository institutions have made such a pledge, and the depository institutions' boards of directors or loan committees approved the pledge. However, the depository institutions did not have written agreements with the county.

Note 4. Lease-Purchase Agreement

The county has entered into the following lease-purchase agreement:

Liabilities of the 911 Fund are:

Description	Purchase Date	Maturity Date	Interest Rate	Amount
911 Equipment	2/4/97	2/14/02	5.87%	<u>\$ 235,964</u>

Note 5. Park Board Fund

The correct cash balance of the Park Board Fund as of June 30, 1997 was \$25,492. The prior year audit report had a cash balance of \$11,296. There was a second account maintained for the Park Board Fund which had a bank balance of \$11,360, a deposit in transit of \$3,000, less outstanding checks of 164 for a difference of \$14,196.

Note 6. Insurance

For the fiscal year ended June 30, 1998, Green County was a member of the Kentucky Association of Counties' All Lines Insurance Fund (KALF) . KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of a collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

Note 7. Related Party Transactions

During the fiscal year ended June 30, 1998, the Green County Fiscal Court expended \$4,238 to purchase parts and supplies from Greensburg Auto Parts. This business is owned by the son of former Judge/Executive Morris W. Goff. These transactions meet the standards set forth in Green County's Ethics Code.

Note 8. Lawsuit Filed By Former County Employees

Two former county employees have filed suit against Green County alleging that they were improperly dismissed. In January of 1999 the county's insurance carrier filed a Declaratory Judgement action naming Green County and the former fiscal court members. This action is an attempt to have the court declare that there is no coverage by the insurance carrier regarding the action filed by the two former county employees. If this action is successful and the lawsuit is not dismissed, Green County could potentially be liable for some amount of any judgement entered by the court.

COMPARATIVE SCHEDULE OF BUDGETED TO ACTUAL OPERATING REVENUE

GREEN COUNTY
COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

Fiscal Year Ended June 30, 1998

<u>Budgeted Funds</u>	Budgeted Operating Revenue	Actual Operating Revenue	Over (Under) Budget
General Fund	\$ 407,150	\$ 460,037	\$ 52,887
Road and Bridge Fund	840,980	828,859	(12,121)
Jail Fund	28,250	30,914	2,664
Local Government Economic Assistance Fund	22,300	31,148	8,848
Forest Fire Protection Fund	1,400	762	(638)
911 Fund	107,000	156,705	49,705
Totals	<u>\$ 1,407,080</u>	<u>\$ 1,508,425</u>	<u>\$ 101,345</u>

Reconciliation

Total Budgeted Operating Revenue Above	\$ 1,407,080
Add: Budgeted Prior Year Surplus	470,000
Less: Other Financing Uses	<u>(12,500)</u>
Total Operating Budget Per Comparative Schedule Of Final Budget and Budgeted Expenditures	<u>\$ 1,864,580</u>

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SCHEDULE OF OPERATING REVENUE

GREEN COUNTY
SCHEDULE OF OPERATING REVENUE

Fiscal Year Ended June 30, 1998

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Revenue From Local Taxes</u> <u>and Excess Fees</u>				
Sheriff:				
Taxes	\$ 207,918	\$ 207,156	\$	\$
Excess Fees - 1997	1,842	1,842		
County Clerk:				
Deed Transfer Tax	13,563	13,563		
Delinquent Taxes	1,267	1,267		
Excess Fees - 1997	45,128	45,128		
Bank Shares	27,807	27,807		
Tangible Personal Property Taxes:				
Other Counties	6,344	6,344		
County Clerk	47,526	47,526		
Totals	<u>\$ 351,395</u>	<u>\$ 350,633</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Federal Receipts - State Treasurer</u>				
Disaster and Emergency Assistance				
Grants - Coordinator Salary	\$ 1,971	\$ 1,971	\$	\$
Community Development Block				
Grants - Flood Disaster				
Recovery	3,337		3,337	
ISTEA Grant	16,181		16,181	
Totals	<u>\$ 21,489</u>	<u>\$ 1,971</u>	<u>\$ 19,518</u>	<u>\$ 0</u>
<u>Kentucky State Treasurer</u>				
Jail:				
Allotments	\$ 24,000	\$	\$	\$ 24,000
Medical Allotments	2,175			2,175
Driving Under The Influence Fees	601			601
County Road Aid	586,215		586,215	
Rural Secondary Program	42,000		42,000	
Truck License Distribution	151,651		151,651	

GREEN COUNTY
SCHEDULE OF OPERATING REVENUE
Fiscal Year Ended June 30, 1998
(Continued)

Local Government Economic Assistance Fund	Fire Protection Fund	Park Board Fund	911 Fund
\$	\$ 762	\$	\$
\$ 0	\$ 762	\$ 0	\$ 0
\$	\$	\$	\$
\$ 0	\$ 0	\$ 0	\$ 0
\$	\$	\$	\$

GREEN COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1998
 (Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Kentucky State Treasurer (Continued)</u>				
Omitted Property Taxes	\$ 2,537	\$ 2,537	\$	\$
Delinquent Property Taxes	1,093	1,093		
Courthouse Rental - Administrative				
Office of the Courts	16,568	16,568		
Refunds:				
Legal Process Tax	78	78		
Drivers Licenses	1,043		1,043	
Dog Licenses	150	150		
Sheriff Bond Premium	102	102		
State Reimbursement/Refund	65	32	33	
Severance Taxes:				
Mineral	30,597			
Board of Assessments	200	200		
Grants:				
Ambulance	27,935	27,935		
Disaster and Emergency Assistance- Coordinator Salary	507	507		
Totals	<u>\$ 887,517</u>	<u>\$ 49,202</u>	<u>\$ 780,942</u>	<u>\$ 26,776</u>

Miscellaneous Revenue

Interest	\$ 35,343	\$ 18,395	\$ 15,777	\$ 243
Circuit Court Clerk:				
Jail Cost	3,895			3,895
United Waste Systems Franchise	14,746	14,746		
Cable TV Franchise	7,818	7,818		
Charges for Services:				
Dispatch Fees	12,800			
Alarm Monitoring	1,075			
911 Surcharge Fees	105,963			
City Contribution	35,000			
Reimbursements/Refunds	1,490			
Worker's Compensation Refund	2,622	2,622		

GREEN COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1998
 (Continued)

Local Government Economic Assistance Fund	Fire Protection Fund	Park Board Fund	911 Fund
\$	\$	\$	\$
30,597			
\$ 30,597	\$ 0	\$ 0	\$ 0
\$ 551	\$	\$	\$ 377
			12,800
			1,075
			105,963
			35,000
			1,490

GREEN COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1998
 (Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Miscellaneous Revenue (Continued)</u>				
Advertising Costs	\$ 345	\$ 345	\$	\$
Rent	5,225	3,300		
Surplus Machinery/Equipment Sales	12,438	201	12,237	
Insurance Proceeds	10,804	10,804		
League Fees	12,085			
Donations	5,379			
Tournament Fees	200			
Miscellaneous Items	<u>679</u>		<u>385</u>	
Totals	<u>\$ 267,907</u>	<u>\$ 58,231</u>	<u>\$ 28,399</u>	<u>\$ 4,138</u>
Total Operating Revenue	<u>\$ 1,528,308</u>	<u>\$ 460,037</u>	<u>\$ 828,859</u>	<u>\$ 30,914</u>

GREEN COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1998
 (Continued)

Local Government Economic Assistance Fund	Fire Protection Fund	Park Board Fund	911 Fund
\$	\$	\$	\$
		1,925	
		12,085	
		5,379	
		200	
		294	
\$ 551	\$ 0	\$ 19,883	\$ 156,705
\$ 31,148	\$ 762	\$ 19,883	\$ 156,705

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COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

GREEN COUNTY
COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

Fiscal Year Ended June 30, 1998

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u>			
<u>General Government</u>			
Office of County Judge/Executive:			
Salaries-			
County Judge/Executive	\$ 49,000	\$ 48,325	\$ 675
Deputy County Judge/Executive	3,000	2,045	955
Secretaries	17,100	13,313	3,787
Other Salaries	8,500	7,758	742
Office Materials and Supplies	3,000	2,472	528
Periodicals	17	17	
Memberships	660	660	
Reimbursement	500	406	94
Conferences and Training	1,000	933	67
Telephone	2,500	1,349	1,151
Furniture and Fixtures	500		500
Office of County Attorney:			
Salaries-			
County Attorney	14,900	14,740	160
Secretaries	4,100	4,011	89
Office Rental	2,400	2,400	
Office of County Clerk:			
County Clerk Salary	1,800	1,800	
Office Materials and Supplies	16,000	15,159	841
Indexing	2,000	1,700	300
Refund of Excess Fees	2,630	2,630	
New Office Equipment	6,000	5,288	712
Tax Bill Preparation	1,000	868	132
Office of Sheriff:			
Materials and Supplies	3,400	2,975	425
Deputy Insurance Claim	11,000	10,554	446
Reimbursement	4,800	4,800	
Telephone	1,600	1,185	415
Radio Repairs	400		400

GREEN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>General Government (Continued)</u>			
Office of County Coroner:			
Salaries-			
County Coroner	\$ 4,800	\$ 4,800	\$
Deputy Coroner	1,800	1,800	
Transport For Autopsy	575	575	
Materials and Supplies	100		100
Medical Supplies	100		100
Conferences and Training	400	294	106
Radio Repair	120	120	
Fiscal Court:			
Magistrates -			
Salaries	25,500	25,500	
Safe Deposit Box Rental	10	10	
Dues	500	500	
Travel	200	51	149
Registrations, Conferences, and Training	2,000	1,172	828
Office of Property Valuation Administrator:			
Telephone	1,800	1,540	260
Statutory Contribution	8,705	8,496	209
Office of Board of Assessment Appeals:			
Per Diem	400	400	
Office of County Treasurer:			
County Treasurer Salary	17,550	17,504	46
Telephone	1,000	556	444
County Law Library:			
Law Librarian Salary	1,200	1,200	
Elections:			
Per Diem-			
Election Commissioners	900	700	200
Election Officers	5,000	2,990	2,010

GREEN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>General Government (Continued)</u>			
Elections (Continued):			
Advertising	\$ 1,500	\$ 571	\$ 929
Printing and Forms	8,000	3,004	4,996
Economic Development:			
Program Support	10,000	5,125	4,875
Courthouse:			
Custodial Salary	12,000	7,298	4,702
Equipment Maintenance	200	125	75
Pest Control	360	360	
Custodial Supplies	3,000	1,949	1,051
Renewals and Repairs	12,000	11,707	293
Utilities	13,000	11,843	1,157
<u>Protection to Persons and Property</u>			
Disaster and Emergency Services:			
Director Salary	4,800	4,800	
Program Support	3,300	2,047	1,253
Telephone	700	547	153
Ambulance Service:			
Program Support	2,000		2,000
Ambulance Grant	45,000	27,935	17,065
Emergency Dispatch Service:			
Program Support	147	147	
Forestry Fire Protection:			
Kentucky State Treasurer	524	524	
<u>General Health and Sanitation</u>			
Dog Control:			
Dog Warden Salary	3,350	2,639	711

GREEN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>General Health and Sanitation (Continued)</u>			
Dog Control (Continued):			
Veterinarian	\$ 300	\$ 215	\$ 85
Kennel	250	212	38
Animal Food	800	446	354
Badge	65	60	5
Solid Waste Collection:			
Coordinator Salary	14,600	14,586	14
Office Supplies	450	440	10
Reimbursement	3,200	3,160	40
Telephone	1,000	904	96
Miscellaneous	996	819	177
Sewer System:			
Sewer Facility Fence	2,124	2,124	
<u>Social Services</u>			
Service to Indigents:			
Contribution	400	197	203
<u>Recreation and Culture</u>			
Parks:			
Contracted Construction	23,000	797	22,203
Ramp	190	190	
Building Repair	1,765	1,754	11
Maintenance Equipment	1,000	1,000	
<u>Administration</u>			
General Services:			
Advertising	2,500	2,291	209
Audit Fees	10,500	10,368	132
Area Development District	850	670	180
Chamber Of Commerce Dues	35	35	
Liability Insurance	26,252	26,252	

GREEN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>Administration (Continued)</u>			
General Services (Continued):			
Bond Premiums	\$ 3,500	\$ 3,429	\$ 71
KACO- Dues	800	800	
Prior Year Claim	2,750	2,750	
Contingent Appropriations:			
Reserve for Transfers	1,864		1,864
Fringe Benefits:			
County Contributions-			
Social Security	32,000	28,112	3,888
Retirement	38,000	31,996	6,004
Health Insurance	40,000	38,042	1,958
Dental Insurance	4,800	4,167	633
Worker's Compensation	13,000	7,504	5,496
Unemployment Insurance	5,000	2,589	2,411
Total Operating Budget	\$ 582,339	\$ 480,126	\$ 102,213
Other Financing Uses:			
Transfers to Park Board Fund	10,000	10,000	
Total General Fund	\$ 592,339	\$ 490,126	\$ 102,213

GREEN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ROAD AND BRIDGE FUND</u>			
<u>General Government</u>			
Fiscal Court:			
Magistrates Expense	\$ 18,000	\$ 18,000	\$
<u>Protection to Persons and Property</u>			
Drug Enforcement:			
Consultant Fee	100		100
Evaluation and Testing	1,000	290	710
Materials	100		100
<u>ROAD AND BRIDGE FUND (Continued)</u>			
<u>Roads</u>			
Office of Road Supervisor/Engineer:			
Road Supervisor Salary	\$ 22,000	\$ 20,880	\$ 1,120
Road Maintenance:			
Salaries-			
Road Labor	127,000	96,371	30,629
Part-Time Crew	25,000	20,477	4,523
Bridge Construction	20,000		20,000
Maintenance and Repair	40,000	15,291	24,709
Equipment Rental	215	215	
Solid Waste Removal	44	44	
Contracted Construction-			
Dozing	1,000	210	790
Asphalt	247,500	246,423	1,077
Crushed Stone and Gravel	120,000	114,631	5,369
Custodial Supplies	250	59	191
Garage Supplies	500	395	105
Machinery and Equipment-			
New Road Machinery	30,900	150	30,750
Road Materials	35,655	35,046	609
Petroleum Products	22,000	17,913	4,087
Signs	5,000	2,406	2,594
Tools	1,000	235	765
Tires and Tubes	10,000	9,293	707
Road Maps	200	100	100
Tree Removal	100	100	
Telephone	2,000	1,404	596
Utilities	1,500	838	662

GREEN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ROAD AND BRIDGE FUND (Continued)</u>			
<u>Roads</u>			
Office of Road Supervisor/Engineer:			
Road Supervisor Salary	\$ 22,000	\$ 20,880	\$ 1,120
Road Maintenance:			
Salaries-			
Road Labor	127,000	96,371	30,629
Part-Time Crew	25,000	20,477	4,523
Bridge Construction	20,000		20,000
Maintenance and Repair	40,000	15,291	24,709
Equipment Rental	215	215	
Solid Waste Removal	44	44	
Contracted Construction-			
Dozing	1,000	210	790
Asphalt	247,500	246,423	1,077
Crushed Stone and Gravel	120,000	114,631	5,369
Custodial Supplies	250	59	191
Garage Supplies	500	395	105
Machinery and Equipment-			
New Road Machinery	30,900	150	30,750
Road Materials	35,655	35,046	609
Petroleum Products	22,000	17,913	4,087
Signs	5,000	2,406	2,594
Tools	1,000	235	765
Tires and Tubes	10,000	9,293	707
Road Maps	200	100	100
Tree Removal	100	100	
Telephone	2,000	1,404	596
Utilities	1,500	838	662
Miscellaneous	500		500
<u>Capital Projects</u>			
Streets and Highways:			
Contracted Construction-			
Highways	150,000	42,000	108,000

GREEN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ROAD AND BRIDGE FUND (Continued)</u>			
<u>Administration</u>			
General Services:			
Liability Insurance	\$ 19,000	\$ 18,799	\$ 201
Sales Tax Surplus	134	134	
Prior Year Claims	6,093	5,252	841
Fringe Benefits:			
County Contributions-			
Retirement	18,000	11,699	6,301
Social Security	16,000	11,396	4,604
Health Insurance	27,000	26,778	222
Dental Insurance	2,000	1,823	177
Worker's Compensation	11,000	10,367	633
Total Road and Bridge Fund	<u>\$ 980,791</u>	<u>\$ 729,019</u>	<u>\$ 251,772</u>

JAIL FUND

Protection to Persons and Property

Office of Jailer:			
Jailer Salary	\$ 12,600	\$ 12,600	\$
Contracts For Housing Prisoners	52,000	51,925	75
Medical Services	4,061	3,520	541
Staff Travel	10,000	9,500	500
Reimbursement	9	9	
Juvenile Detention:			
Contracts With Other Counties	16,000	15,930	70
Transport	1,500	1,256	244
Medical Services	200	66	134

Administration

General Services:			
Association Dues	50		50
Staff Training	430	427	3

GREEN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	<u>Final Budget</u>	<u>Budgeted Expenditures</u>	<u>Under (Over) Budget</u>
<u>JAIL FUND (Continued)</u>			
<u>Administration (Continued)</u>			
Fringe Benefits:			
County Contributions-			
Retirement	\$ 1,300	\$ 1,090	\$ 210
Social Security	<u>1,100</u>	<u>916</u>	<u>184</u>
Total Jail Fund	<u>\$ 99,250</u>	<u>\$ 97,239</u>	<u>\$ 2,011</u>
<u>LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND</u>			
<u>General Government</u>			
Economic Development:			
Program Support	\$ 700	\$ 99	\$ 601
Chamber Of Commerce	500		500
Membership Dues	50	50	
Reimbursement	500	276	224
<u>Protection to Persons and Property</u>			
Fire Protection:			
Program Support	4,000	3,000	1,000
Office of Public Defender:			
Public Advocacy	1,300	1,296	4
<u>General Health and Sanitation</u>			
Soil and Water Conservation:			
Program Support	13,000	13,000	
<u>Social Services</u>			
Services to Children and Youth:			
DARE Education Program	1,000	1,000	

GREEN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND (Continued)</u>			
General Charity and Welfare:			
Pauper Burials	\$ 300	\$	\$ 300
<u>Recreation and Culture</u>			
Public Libraries:			
Program Support	1,500	1,500	
<u>Administration</u>			
Contingent Appropriations:			
Reserve for Budget Transfers	1,950		1,950
Total Operating Budget	\$ 24,800	\$ 20,221	\$ 4,579
Other Financing Uses:			
Transfer To Park Board Fund	2,500	2,500	
Total Local Government Economic Assistance Fund	<u>\$ 27,300</u>	<u>\$ 22,721</u>	<u>\$ 4,579</u>
<u>FOREST FIRE PROTECTION FUND</u>			
<u>Protection to Persons and Property</u>			
Forest Fire Protection:			
Kentucky State Treasurer	<u>\$ 1,400</u>	<u>\$ 700</u>	<u>\$ 700</u>
<u>911 FUND</u>			
<u>Protection to Persons and Property</u>			
Emergency Dispatch Service:			
Program Support	\$ 121,800	\$ 116,695	\$ 5,105

GREEN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1998
 (Continued)

	<u>Final Budget</u>	<u>Budgeted Expenditures</u>	<u>Under (Over) Budget</u>
<u>911 FUND (Continued)</u>			
<u>Capital Projects</u>			
Communication Equipment Lease	\$ 54,200	\$ 54,163	\$ 37
Total 911 Fund	<u>\$ 176,000</u>	<u>\$ 170,858</u>	<u>\$ 5,142</u>
Total Operating Budget - All Funds	\$ 1,864,580	\$ 1,498,163	\$ 366,417
Other Financing Uses:			
Transfers to Park Board Fund	<u>12,500</u>	<u>12,500</u>	
TOTAL BUDGET - ALL FUNDS	<u><u>\$ 1,877,080</u></u>	<u><u>\$ 1,510,663</u></u>	<u><u>\$ 366,417</u></u>

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SCHEDULE OF UNBUDGETED EXPENDITURES

GREEN COUNTY
SCHEDULE OF UNBUDGETED EXPENDITURES

Fiscal Year Ended June 30, 1998

<u>Expenditures</u>	<u>Park Board Fund</u>
Contract Labor	\$ 12,994
Utilities	1,939
Supplies	2,377
Equipment	27,414
Refunds	150
Repairs and Maintenance	1,496
Advertising	123
Fence	2,475
Miscellaneous	<u>562</u>
Totals	<u>\$ 49,530</u>

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



Edward B. Hatchett, Jr. Auditor of Public Accounts

Honorable Mary Ann Blaydes Baron, County Judge/Executive
Honorable Morris W. Goff, Former County Judge/Executive
Former Members of the Green County Fiscal Court

Report On Compliance And On Internal Control Over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards

We have audited the financial statements of Green County, Kentucky, as of and for the year ended June 30, 1998, and have issued our report thereon dated March 24, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Green County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying Comments and Recommendations.

- The County Should Have Written Agreements To Protect Deposits

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Green County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Honorable Mary Ann Blaydes Baron, County Judge/Executive
Honorable Morris W. Goff, Former County Judge/Executive
Former Members of the Green County Fiscal Court
Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards
(Continued)

This report is intended for the information of management. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
March 24, 1999

COMMENTS AND RECOMMENDATIONS

GREEN COUNTY
COMMENTS AND RECOMMENDATIONS

Fiscal Year Ended June 30, 1998

REPORTABLE CONDITIONS

NONCOMPLIANCES

The County Should Have Written Agreements To Protect Deposits

The county maintained deposits with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). The county had bank balances of \$916,095; FDIC insurance of \$232,038; and securities pledged of \$2,800,000 as of June 30, 1998. Even though the county obtained pledged securities of \$2,730,000, the pledges were not evidenced by written agreements. We recommend the county enter into written agreements with the depository institutions. These agreements, signed by both parties, must be sufficient to create an enforceable and perfected security interest in the collateral under Kentucky law. According to federal law, 12 U.S.C.A. § 1823(e), these agreements should be (a) in writing, (b) approved by the boards of directors of the depository institutions or their loan committees, which approval must be reflected in the minutes of the boards or committees, and (c) an official record of the depository institutions.

Management's Response:

Both banks were contacted regarding a written agreement, but agreements were not received by county.

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CERTIFICATION OF COMPLIANCE –
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAMS


GREEN COUNTY FISCAL COURT

Fiscal Year Ended June 30, 1998

Appendix A

CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAMS
GREEN COUNTY FISCAL COURT

The Green County Fiscal Court hereby certifies that assistance received from the Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.


Name
Former County Judge/Executive


Name
Former County Treasurer